



# PSC NEWS

## Missouri Public Service Commission

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**FOR IMMEDIATE RELEASE**

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### **NATURAL GAS RATES TO INCREASE FOR SOUTHERN MISSOURI GAS COMPANY CUSTOMERS**

JEFFERSON CITY--To reflect estimated changes in the wholesale cost of natural gas for October as well as the winter heating season (November through March), natural gas rates will increase for Southern Missouri Gas Company, L.P. customers under a filing which takes effect on October 1, 2005. The increase is interim subject to refund.

Current natural gas market prices are at record levels for this time of year. It is anticipated that wholesale natural gas prices will remain high and could get even higher in the coming months which would further impact customer bills.

A residential customer currently pays approximately \$0.79 cents per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to approximately \$1.31 per Ccf, an increase of approximately 52 cents per Ccf. The natural gas rates for a typical residential customer will increase by approximately 37% in October and by approximately 43% above current rates for the five month winter heating season (November through March).

A review of the filing by the PSC staff indicated it was correctly calculated and in compliance with the natural gas company's Purchased Gas Adjustment (PGA) clause.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas is the cost your local natural gas company must pay to its suppliers for natural gas. The wholesale cost of natural gas is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for its customers.

Southern Missouri Gas Company serves approximately 7,250 natural gas customers in the Missouri counties of Wright, Texas, Webster, Howell and Douglas.